

2012 HR-MSBU 005723

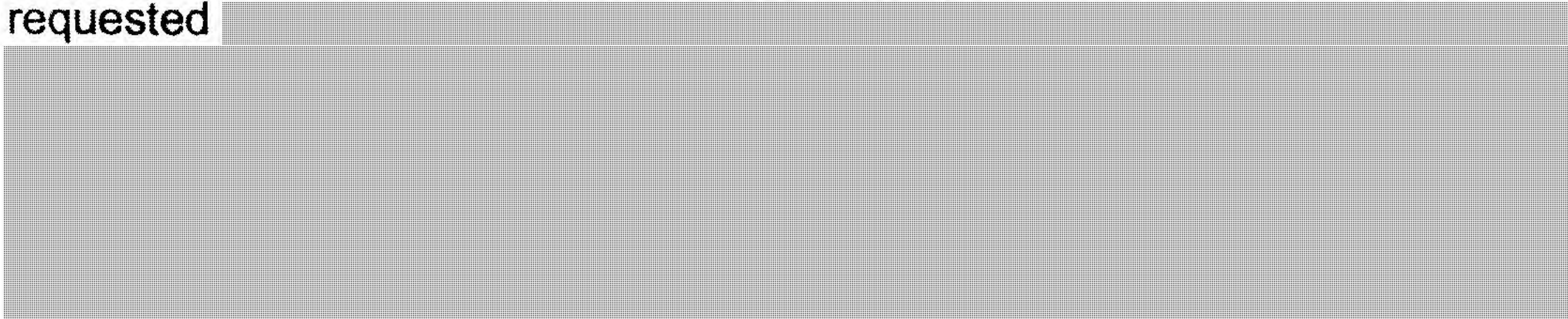
MEMORANDUM TO THE MINISTER OF HRSD

MAY 29 2012

**MEETING WITH ALLEN ROACH, PRINCE EDWARD ISLAND MINISTER OF
INNOVATION AND ADVANCED LEARNING**

FOR YOUR MEETING

SUMMARY

- You are scheduled to meet with Allen Roach, Prince Edward Island (PEI) Minister of Innovation and Advanced Learning, on Thursday May 31, 2012, from 5:00–5:30 pm at your Parliament Hill office. A biography of Minister Roach is attached (Annex A). You will be joined by Frank Vermaeten, Senior Assistant Deputy Minister, Skills and Employment Branch.
- It is anticipated that Minister Roach will raise the announced changes to Employment Insurance (EI). In a recent correspondence, Minister Roach requested 
- Also provided are background information on the Extended EI Benefits pilot project and a summary of the changes to EI announced on May 24, 2012 (Annex C).

s.14

s.21(1)(b)

BACKGROUND:

- On April 27, 2012, Minister Roach wrote to you requesting clarification on some of the EI measures outlined in Budget 2012. A draft response has been prepared, but has not been sent in light of this meeting.

CURRENT STATUS:

- Given Minister Roach's specific concerns with regards to seasonal workers, you may wish to outline the government's intention to create three EI claimant categories: long-tenured workers, frequent claimants, and occasional claimants. Many seasonal workers would be classified as frequent claimants. Furthermore, you may wish to emphasize the benefits of taking temporary

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employment to maintain attachment to the workforce, enhance skill sets, and earn more than would be possible under EI (while under EI, Canadians receive 55% of their average weekly earnings, while frequent claimants will never have to accept work that pays less than 70% of their previous income).

- Minister Roach requested in his letter clarification on the status of the Extended EI Benefits pilot program. If he raises this, you may wish to indicate that on October 12, 2010, the government re-introduced the Extended EI Benefits pilot project until September 15, 2012, or earlier if there is sustained economic recovery. The pilot project will only conclude earlier in regions where the unemployment rate is less than 8% for twelve consecutive months.
- Minister Roach has also been active on social media to express concern about the possible one-hour commute that job seekers may have to accept.
- Minister Roach may take this opportunity to raise concerns about what they perceive

[REDACTED]

s.21(1)(a)
s.21(1)(b)
s.21(1)(c)

- Minister Roach may also raise LMA/LMDA renewal. For 2012-2013, PEI's LMA and LMDA allocations are \$3.2M and \$26.4M respectively, including re-profiling and carry-forward. If renewal is raised, you may wish to indicate the importance

[REDACTED]

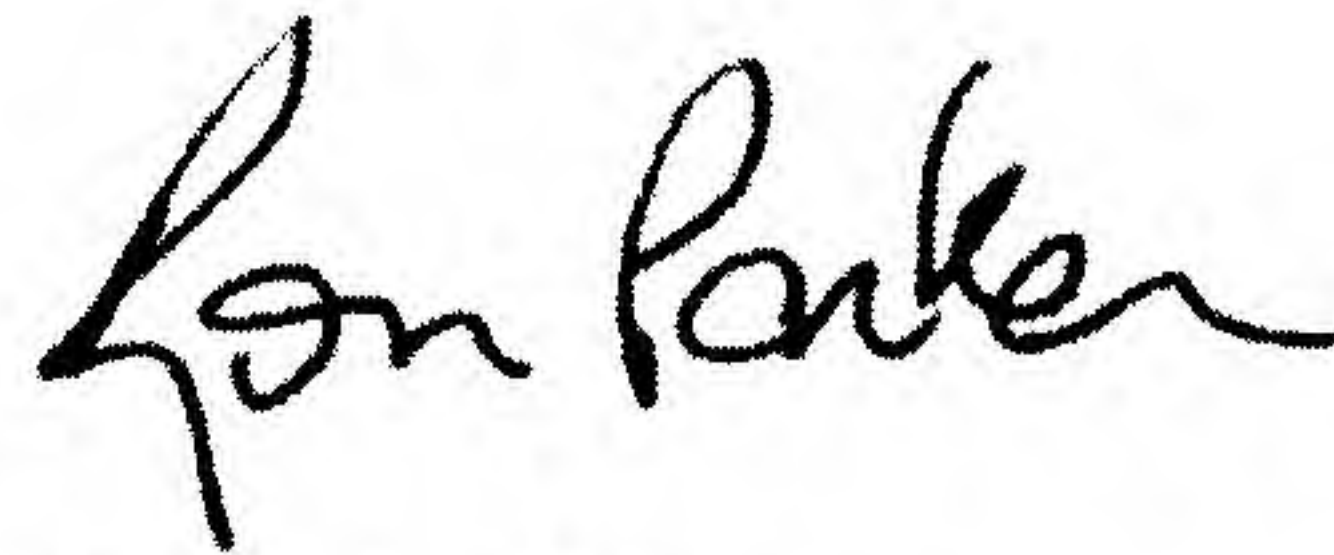
[REDACTED] In addition, we are looking forward to the collaboration of all provinces and territories on all evaluation, data, and reporting matters.

- If Minister Roach requests clarification on changes to EI, you may wish to reiterate the three major deliverables you outlined in your announcement on May 24, 2012: increasing Job Alert notifications to Canadians receiving EI, linking the TFW program with the EI program to connect unemployed Canadians with available jobs, and clarifying what is meant by suitable employment and what constitutes a suitable job search. Annex C provides a summary of the changes to EI announced on May 24, 2012, as well as background information on the Extended EI Benefits pilot project.

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NEXT STEPS:

- Should any additional issues or concerns be raised, we will continue to engage with our provincial counterparts in PEI and provide you with briefings as required.

A handwritten signature in black ink, appearing to read "Ron Parker". The signature is fluid and cursive, with the first name "Ron" being more prominent than the last name "Parker".

Deputy Minister

Executive Heads: David McGovern
819-953-3729

Frank Vermaeten
819-997-9236

Attachments: 3



Hon. Allen Roach
Minister of Innovation and Advanced Learning
Government of Prince Edward Island

Allen Roach was first elected as a Member of the Legislative Assembly of Prince Edward Island on October 3, 2011 in District 3, -Montague-Kilmuir.

Prior to entering provincial politics, he was a member of the Royal Canadian Mounted Police between 1971 and 2007, and served in Kings County. He has spent many years as a community volunteer in the Montague area and was vice-chair of the Montague Waterfront Corporation from 2008 to 2010.

Mr. Roach lives in Brudenell with his wife Elizabeth. They have two grown children, Alaina and Gregory, and one grandson Emerson.

Pages 52 to / à 53
are withheld pursuant to sections
sont retenues en vertu des articles

14, 21(1)(a), 21(1)(b), 21(1)(c)

of the Access to Information Act
de la Loi sur l'accès à l'information

Extended EI Benefits pilot project

- On October 12, 2010, the Government re-introduced the Extended EI Benefits pilot project, currently available in 19 EI economic regions for two years until September 15, 2012, or earlier if there is sustained economic recovery. The pilot project extends the maximum number of weeks for which benefits may be paid by five weeks, to a maximum of 45 weeks, to test the effects of providing additional EI regular benefits in reducing the number of individuals experiencing an income gap between EI and returning to work. The pilot project will conclude earlier in regions where the unemployment rate is less than 8 per cent for twelve consecutive months.

Recent Improvements to Employment Insurance

- Our government's top priority is job creation, economic growth and long-term prosperity for Canadians.
- EI is Canada's single-largest labour market program and our government is taking action to ensure it remains fair and flexible and helps Canadians who want to find work.
- As we face unprecedented labour and skills shortages, it is important that we ensure the EI program is working most effectively for Canada and Canadians.
- That includes better connecting Canadians with available opportunities in their local area, and clarifying their responsibilities while collecting employment insurance.

Supporting workers and the labour market

- Economic Action Plan 2012 announced a new national EI pilot project that will ensure claimants benefit from accepting more work while on EI. Effective August 5, 2012, the new Working While on Claim pilot project will cut the current EI clawback rate in half (to 50 percent of earnings) and apply it to all earnings while on claim. As claimants search for permanent employment, this new pilot will increase the benefit from accepting all available work by allowing them to keep more of what they earn while on EI. Previously, only a portion of earnings were exempt from the clawback; once this exemption was passed, EI benefits were clawed back dollar for dollar. The practical result of this policy was that claimants reduced their labour force attachment by turning down work that exceeded this exemption.

Ensuring the EI program remains fair

- As announced in Economic Action Plan 2012, the Government is introducing a new, permanent national approach to better align the calculation of the weekly amount an EI claimant receives with their regional labour market conditions. The amount of a claimant's weekly benefits will be determined using an average of their 'best weeks' of employment.

- In higher unemployment regions, fewer best weeks will be used in this calculation, making it more beneficial for workers to accept all available work in slower seasons of employment.
- By replacing a selective pilot in 25 regions with a national program, we will ensure fairness and flexibility so that those living in regions with similar labour market conditions will receive similar benefits. EI rules currently in effect will continue to apply until the new measure is implemented on April 7, 2013, subject to approval by Parliament. As a result, the Best 14 Weeks pilot project will be extended to April 6, 2013, in the current 25 participating EI regions.

Connecting Canadians with Available Jobs

- Through Economic Action Plan 2012, the Government of Canada is making significant improvements to better connect unemployed Canadians with job opportunities in their local area. Part of this plan includes clear expectations of Canadians who are claiming EI while they search for work. This includes clarifying the definition of suitable employment and what constitutes a reasonable job search.
- I would like to emphasize that our goal is to connect people with the jobs available in their communities and help them return to work more quickly. It is not about forcing people to move.
- All job search efforts will be examined in the context of local labour market conditions within a reasonable commuting time. So what is considered reasonable is very different for a person who lives in an urban area versus an individual working in a small community where there are two businesses and neither of them is hiring.
- Under the existing EI Act, Canadians who are collecting EI are required to look for work. However, the current legislation lacks clarity with respect to what constitutes suitable employment and a reasonable job search. The *Employment Insurance Act* states that claimants are obligated to search for and accept suitable employment but does not define the term. The Act only defines what is “not suitable employment”.
- As indicated in Bill C-38 - Jobs, Growth and Long-term Prosperity Act, it is the Government’s intention to implement clear definitions for “suitable employment” and “reasonable job search.” Should the Jobs, Growth, and Long-term Prosperity Act receive Royal Assent, the Government will define both in new regulations. The Canada Employment Insurance Commission, with representatives for workers and for employers, will be responsible for making the regulations with approval from Governor in Council.
- These improvements apply to Canadians receiving regular and fishing EI benefits; fishing benefits are considered akin to regular benefits. They do not apply to Canadians receiving EI special benefits (maternity, parental, compassionate, and sick leave).

- The measures build upon existing EI program practices and claimants will not have their EI benefits discontinued if suitable job opportunities are not available within their commuting range. Fishers will continue to be treated the same as other claimants.
- Clarifying a claimant's responsibilities while on EI is just one element of our broader strategy to help Canadians find work and focus resources where they are needed most.

Job Alerts

- Currently, through Job Alerts, people on EI receive up to three job postings when they apply and complete their online report every two weeks. However, many claimants do not receive any listings because Job Bank is the only source of postings being used and carries approximately one in five jobs advertised online in Canada. This is not as efficient or effective as it could be.
- The Government believes it is important to provide Canadians who want to work with help in getting back to work. That is why we intend to improve the system and send job postings twice a day to Canadians receiving EI benefits for their chosen occupation. These job postings will come from a broader range of sources, including from private-sector job boards.
- This new Job Alert system will send job postings to Canadians receiving EI benefits from their chosen occupation as well as related occupational sectors.
- The new system will also include labour market information on the demands and current wage rates of selected occupations and related jobs. Having access to this type of information will allow Canadians receiving EI benefits to make informed decisions about how best to conduct or expand their job search.

Collaboration between EI and Temporary Foreign Worker programs

- Evidence suggests that, in some instances, employers are hiring temporary foreign workers in the same occupation and location as Canadians who are collecting EI regular benefits.
- Some specific examples of the disconnect between the Temporary Foreign Worker Program and EI include:
 - In January 2012, Albertan employers received positive confirmation for 1 261 TFW positions for food counter attendants. At the same time, nearly 350 people made a claim for EI who had cited significant experience in the same occupation and province.

- Furthermore, over 2 200 general farm workers in Ontario submitted claims for EI in the same month, while employers received approval to hire over 1 500 foreign nationals for the same occupation.
- Finally, on the East Coast, in January 2012, Prince Edward Island collected 294 claims for EI from out-of-work fish plant workers, while 60 TFWs were approved to enter the province to work in the same occupation.
- These employers were granted permission to hire temporary foreign workers because they demonstrated sincere efforts to hire Canadians first and had no alternative but to hire temporary foreign workers as a last resort.